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BISMARCK AND STATE SOCIALISM

*AN EXPOSITION OF THE SOCIAL AND
ECONOMIC LEGISLATION OF
GERMANY SINCE 1870*

BY

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"I need very little recognition, and am tolerably unsusceptible against criticism."—*June 2, 1865.*

"At any rate it must be allowed that I have always expressed my convictions decidedly, clearly, and openly."—*December 17, 1873.*

"I am a statesman who subordinates himself to the needs and requirements of the State in the interest of the peace and prosperity of my Fatherland."—*December 17, 1873.*

"I have always endeavoured to learn new things, and when I have as a consequence had to correct an earlier opinion, I have done it at once, and I am proud to have done so, for I ever place my country before my person."—*March 28, 1874.*

"I aim at definite, positive, practical ends."—*October 9, 1878.*

"For my part I shall certainly follow to the end the way which I believe to be the best in my country's interest; whether my reward be hatred or love, is all the same to me."—*July 9, 1879.*

"I do my duty and await the result."—*April 2, 1881.*

—*From Prince Bismarck's Speeches.*

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PREFACE.

THIS volume is intended to be a sequel to a work which I completed two years ago, and which appeared with the title "German Socialism and Ferdinand Lassalle: a Biographical History of German Socialistic Movements during this Century." In that work—the marked friendliness of whose reception, both in England and Germany, was the more encouraging because not looked for—an endeavour was made to show how the seed of a politico-economical Socialism had found its way to German soil, how it had germinated, how grown from plant to tree, and finally to describe the fruit which the tree had borne and is still bearing.

In the main the survey extended to Social-Democratic movements, and it did not seem pertinent to the scheme originally contemplated to devote more than passing reference to developments like State Socialism, Socialism of the Chair, and Christian Socialism. From the first, however, it was my intention to discuss State Socialism in a second volume, which should be the complement of its predecessor. A number of causes have prevented the speedier fulfilment of that intention, yet the delay has been advantageous rather than the reverse. Since the

work on "German Socialism and Ferdinand Lassalle" was finished, great political changes have taken place in Germany. Two Emperors have died, and after passing through a period of suspense and anxiety unexampled in its history, the new Empire is to-day ruled by a young monarch who has been called suddenly and without forewarning to undertake duties among the highest and most responsible that can fall to man—duties, I will venture to add, to the discharge of which he has already brought a sagacity, a far-sightedness, and an earnestness that augur well for the future of his government and his country.

Moreover, there has recently taken place an event which will mark the beginning of a new era in German politics. After faithfully serving his sovereign and nation for nearly thirty years as First Minister of the Crown in Prussia, and for twenty as Chancellor of the German Empire, and after playing a conspicuous part in European history for at least four decades, Prince Bismarck has at last sought the retirement and rest which weight of years and physical weakness long ago entitled him to enjoy. His masterly guidance of foreign affairs and his epoch-making development of domestic policy become, therefore, completed chapters in German political history. We are now able to view the Chancellor's structure of social and economic reform, as built up since the re-establishment of the Empire, while it still exhibits uniform workmanship—while it is still the achievement of one brain and one hand. A few years hence and German State Social-

ism can no longer be exactly the State Socialism of Prince Bismarck. The building he has raised must, in the nature of things, undergo change, both by modification and addition. The following pages describe the ideal after which Bismarck strove, but which he cannot be said yet to have realised. The Chancellor's withdrawal from official life leaves us a scheme of social reform incomplete, it is true, if compared with his ultimate purposes, yet uniform and cognate, like a painting perfect in idea, yet unfinished, needing finer touches here and greater detail there. Bismarck's part in re-shaping the domestic policy of his country may now be regarded as belonging to the past, and it is no longer premature to estimate his position as a social reformer.

Conversing several years ago with Professor Adolph Wagner, who has long and worthily filled a chair of political economy at the Berlin University, and who is generally, and with right, regarded as the foremost scientific exponent of State Socialism in Germany, a word of mine drew from him the remark that State Socialism would be better termed a *Richtung* than a *Schule*—a *direction* than a *school*. This designation involves two distinct ideas. Not only does State Socialism represent a particular development of economic thought, but it describes the entire tenor of recent social and economic legislation in Germany. Bearing this fact in mind, I have approached the subject from both the theoretical and the practical standpoint; and in characterising the laws which belong to what may be called the Bismarck era of social

reform, I have always kept antecedent measures in view. It is a great mistake to conclude that Prince Bismarck's State Socialistic projects left his head fully matured as armed Minerva left the head of Jupiter. Without exception they were the result of organic development. What the German Chancellor did was to carry social and economic policy forward on existing lines, or to revert to principles temporarily forsaken. As to the success and permanent value of most of his measures we can as yet do little more than speculate, for sufficient time has not elapsed to allow of accurate judgment. It is significant, however, that laws and institutions which at their inception excited widespread apprehension and opposition have lived down ill-repute, and now receive approbation where formerly they met with hostility. Embarking on a policy of State Socialism in the hope of grappling with Social Democracy, Prince Bismarck was assured both by friends and enemies that he was seeking to cast out a devil with the prince of the devils. Yet in spite of opposition on the one hand, and discouragement on the other, he has, with unflinching confidence and remarkable tenacity of purpose, persisted in the course to which he committed himself and his country more than a decade ago, and the best proof of his statesmanlike foresight and wisdom is to be found in the endorsement of his policy by three successive Emperors and by an ever-growing majority of his countrymen.

Since the appearance of the work whose sequel is the present volume, I have been able to investigate more

carefully than had up to that time been possible the State Socialistic measures passed under the new Empire—conducting my inquiries as before in Germany—and I would like to repeat with emphasis the estimate of Prince Bismarck and his social reforms to which I have elsewhere given expression.

“While we must defer judgment upon his policy, we may at once admit that he is the first German statesman who has really tried during the last sixty or seventy years to improve the lot of the labouring population. More than that, he is the first European statesman who has dared to take the social problem in hand with the determination, not indeed to solve it—for that is a task which he himself has admitted will require generations—but to pave the way for solution. . . . There can be little doubt that Prince Bismarck has discovered where the roots of the social evil lie. He has declared, in words that burn, that it is the duty of the State to give heed, above all, to the welfare of its weaker members; he has vowed that no opposition and no obloquy shall ever deter him from giving practical proof of that conviction; and he has already advanced a good step on the way of State Socialism, in which he and thousands of thinking men with him alone see hope for the future of society and civilisation, whether in Germany or elsewhere. . . . Whatever opinion we may after full consideration form of the Chancellor’s internal policy, we must allow to the man himself the virtue of sincerity, a virtue not always characteristic in these days of the public acts of

statesmen. Further, philanthropy and charity demand that we shall wish him success in the great undertaking upon which he has embarked, an undertaking whose objects are none less than the removal of the wrongs of a vast and ever-increasing class, and the restoration of peace to a great country."

W. H. D.

NOTE.—In regard to the authorities for this work, as it deals largely with legislation, I have relied in the main upon Parliamentary Reports and Papers, which I have consulted at first hand. I may, however, say with accuracy that no German work, large or small, bearing upon the questions considered has been overlooked, though not many references are given in the following pages. Here I desire to acknowledge with gratitude the uniform and marked courtesy shown by the authorities of the Royal Library in Berlin during an extended period of research.

A P P E N D I X .

A.—WAGNER'S STATE SOCIALISTIC PROGRAMME.

(See Chapter I., page 12.)

In the first of two articles—important for the studying of his position—contributed in 1887 to the *Tübinger Zeitschrift*, Professor Wagner formulates a systematic State Socialistic programme as follows :—

“ I. A better system of production, by means of which production may above all things be assured an ordered course, instead of the utterly irregular one which prevails at present. Prevention of the employment of ‘ economic conjunctures ’ by individuals at the expense of others ; therefore, checks against speculation. More comprehensive participation by the mass of the population, especially by the working classes, but also by other people in humble positions, in the material benefits and the blessings of civilisation caused by the increase of the productive forces ; therefore, increase of wages both absolutely and relatively, considered as a quota of the produce, assured employment, restriction of the hours of labour, especially of daily labour, to an extent called for by sanitary and moral considerations, and suited to technical circumstances at any given time, the term varying, of course, in different branches of production ; exclusion, as far as possible, of children from paid employments, especially when the conditions are sanitarily and morally dangerous ; similar restriction of female work, particularly in factories ; adequate precautions against accidents during employment and provision for their consequences ; insurance against sickness, incapacity, and old age, with provision for widows and orphans. Consequently special development of all the legal maxims, both in public and civil law, measures, and institutions which are included in the catchwords ‘ protection of the working-man ’ and ‘ industrial insurance, ’ or ‘ industrial insurance legislation. ’

“ II. Inclusion in the administrative duties of the State, the parish, and the other public bodies of such measures as conduce to the moral, intellectual, sanitary, physical, economic, and social advance-

ment of the mass of the people ; so far as may seem necessary and expedient the expenditure of public money for these purposes, without fear of the 'public Communism' which would to some extent be thereby encouraged. This implies the recognition of the principle of State help—legislative, administrative, and financial—for the lower classes conjointly with self-help and the co-operative system.

"III. Adjustment of financial arrangements in such manner that a larger part of the national income, which now falls, in the form of rent, interest, undertaker's profits, and profits from 'conjunctures' [profits due to speculation, chance, spontaneous increase in values, etc.], to the class possessing land and capital and carrying on private undertakings, may be diverted into public channels. Transference to the State, parish, etc., of such land, capital, and undertakings as may economically and technically be well managed in public hands, and such as most easily develop in private hands into actual monopolies, peculiarly tend to enterprise on a great scale, or even now are carried on by public companies, a form of undertakership which in its advantages and defects approximates to public enterprise both economically and technically. . . . (Here Wagner proposes to place such undertakings and institutions as means of communication and transport, the banking and insurance systems, water and gas works, markets, etc., in the hands of the State or the parish. His idea is that the State and public bodies would and should deal more considerately and generously with their officials and employees generally than private undertakers and capitalists, and that their good example would be a social blessing.)

"IV. Public revenue to be so raised as to allow of the 'Communitistic' character of public bodies, above described, being developed wherever decided objections, consequent upon the peculiar circumstances of the case, do not exist. This 'Communitistic' character to be strengthened in favour of the poorer and socially weaker classes, with whom the economic and social struggle for existence and for social advancement is severest, by means of a system of administrative measures calculated especially to benefit them, yet the cost of which shall be defrayed by the general revenue and taxes. But this 'Communitistic' character of State activity to be weaker where the interests of the well-to-do and richer classes of society come especially or exclusively into question. Here expenditure should be rather covered by a just system of taxes—including taxes based on the principle of taxation according to benefit—than by the use of the general revenue. This implies the regulation of the post, telegraph, and railway tariffs, judicial charges, school fees, etc.

"V. Taxation to be so adjusted that, besides fulfilling its primary function, that of providing the revenue needed to cover public requirements, it may as well as possible fulfil a not less important indirect purpose, which is twofold: (1) regulative interference with the distribution of the income and wealth of private persons, so far as that distribution is the product of free economic intercourse—as by the medium of prices, wages, interest, and rent—with a view to counteracting the harshness, injustice, and excessive privileges caused by the distribution obtaining in this intercourse; (2) and at the same time regulative interference, supported necessarily by further administrative measures, and eventually by compulsion (as in the domain of industrial insurance) in private consumption. This latter can be done by making the lower classes provide—by means of direct and indirect taxes, especially indirect (excise), which in this connection are often very suitable—the revenue necessary for administrative purposes calculated to benefit them, this being effected by diverting income which they may be applying to improper, perhaps injurious, or at least less necessary and wholesome purposes (e.g., drink), to purposes more beneficial to society, the class, or the individual. This two-sided policy of taxation I call social. The second side here advanced . . . is based, as concerns the mass of the population, the lower labouring classes, on the assumption that in the truest interests of the nation a guardianship may and must be exercised over the national consumption or over the application of income to personal purposes."

B.—THE "BUBBLE PERIOD" OF 1873.

(See Chapter IV, page 40.)

Some official statistics employed by the Government in justifying a new Company Law introduced in the Reichstag and passed June 28th, 1884, throw vivid light upon the financial rogueries of this period. It appears that there had liquidated up to that year—

Of 203 companies established before 1871,	30, or 15	per cent.
" 203 "	in 1871,	52 " 25.6 " "
" 478 "	" 1872,	138 " 29 " "
" 162 "	" 1873,	67 " 41 " "
" 30 "	" 1874,	14 " 47 " "
" 3 "	" 1875,	none " "
" 25 "	after 1875,	3, or 12 " "
" 63 "	time unknown,	14, " 22.2 " "

Further, there had gone into bankruptcy—

When established.	Percentage.		Marks.
Before 1871	11	5'4	with paid-up capital of 49,829,124
In 1871	14	6'9	" " " " 16,484,337
" 1872	37	7'9	" " " " 59,404,530
" 1873	8	5'6	" " " " 4,995,000
" 1874	5	16'7	" " " " 1,625,000
" 1875	1	33'3	" " " " 2,550,000
After 1875	1	4	" " " " 1,800,000
Time unknown	2	—	" " " " 960,000
			<u>137,647,991</u>

The net result was that of the 203 companies founded in 1871, 35 reduced their capital, 52 liquidated, and 14 went into bankruptcy; of the 478 companies founded in 1872, 91 reduced their capital, 138 liquidated, and 38 went into bankruptcy; and of the 168 companies which fell to 1873, 22 reduced their capital, 67 liquidated, and 9 went into bankruptcy. The loss to shareholders could not be accurately fixed, but by liquidations and bankruptcies a loss of 345,628,054 marks had been suffered up to 1834.

C.—THE TOBACCO MONOPOLY BILL.

(See Chapter VI., page 67.)

A momentous project of State Socialism such as is contained in the Tobacco Monopoly Bill deserves nearer examination. The measure which the Reichstag was asked to adopt in 1882 provided that the manufacture of raw tobacco and the production of manufactured tobacco should only take place in establishments appointed for the purpose by the *régie*, except in so far as tobacco leaves required manipulation at the hands of the planters and the authorised dealers in raw tobacco. The re-manufacture of products supplied by the *régie*, and the manufacture out of other materials than tobacco of products intended to take the place of smoking tobacco, snuff, or "twist," were prohibited. Manufactures of tobacco could only be sold within the territory of the monopoly by persons authorised by the *régie*. It was proposed to establish an Imperial Tobacco Office, the head of which should be the Imperial Chancellor. This authority should have the supreme administration of the monopoly, but certain powers were to be devolved upon the various Governments, which should appoint the vendors of tobacco. The customs and excise department would be responsible for the control of tobacco-cultivation, the sanction and control of trade in tobacco, the control of imports, exports, and transit of raw and manufactured tobacco, as well as the watching of the frontiers for the prevention of illicit traffic. As to the cultivation of tobacco in Germany, it was proposed to allot each year's

requirements amongst the various States, according to a proportion to be always fixed by the average area cultivated during the six preceding years. The Governments of the States would, however, determine in which excise districts and parishes the cultivation of tobacco should be carried on for the *régie* and for export.

For the production of manufactured tobacco for the *régie*, it was proposed to establish raw tobacco warehouses and tobacco manufactories, but the preparation of tobacco might still be carried on as a house industry under control of the authorities. The existing location of the tobacco industry in the various States was to be made the standard for the continuance and extension of the same. Tobacco manufactories were to be exempted from taxation either by State or parish. It was also provided that the raw tobacco required by the *régie* should to the minimum extent of two-fifths be of home production. Other provisions related to prices and the introduction of foreign tobacco by travellers. The bill provided for the compensation of all persons who should suffer by the prohibition of the private manufacture and sale of tobacco products. Manufacturers and dealers in raw tobacco whose factories or warehouses were depreciated by reason of the introduction of the monopoly would receive money compensation equal to the decrease in value unless the buildings were acquired by the *régie*. Tobacco manufacturers not selling their factories to the *régie* and dealers in raw tobacco would also receive compensation proportionate to the diminution of their earnings, provided that they had been engaged in the tobacco trade for at least four years, dating from the publication of the law, and that their business was a source of livelihood. Personal compensation of this kind would be based on the average net profits of a business during the years 1876 to 1881, but with the exclusion of the best and the worst business year, and would be as follows:—

Duration of business.	Manufacturers.	Dealers in raw tobacco.
4 to 5 years exclus.	2 times	1 { times the average yearly net profits.
5 " 6 "	2½ "	1½ " " "
6 " 7 "	3 "	1½ " " "
7 " 8 "	3½ "	1½ " " "
8 " 9 "	4 "	1½ " " "
9 " 10 "	4½ "	1½ " " "
10 years and over	5 "	2 " " "

By net profits was to be understood the gross revenue after deduction of business costs and 5 per cent. interest on invested capital. Compensation was also to be allowed to all dealers in tobacco products and all adult workpeople in the tobacco industry and trade who were not retained in the service of the *régie*. The same principle

being followed as in the compensation of manufacturers and raw tobacco dealers, the indemnities payable were as follows:—

Duration of employment.	Workpeople employed in the manufacture of tobacco.	Tobacco dealers and employers in the tobacco trade.
4 to 5 years exclus.	2 times	1 { times the average yearly salary, wages, or net profits.
5 " 6 "	2½ "	1½ " " "
6 " 7 "	3 "	1¾ " " "
7 " 8 "	3½ "	1¾ " " "
8 " 9 "	4 "	1¾ " " "
9 " 10 "	4½ "	1¾ " " "
10 years and over	5 "	2 " " "

The concluding provisions laid down conditions for the cultivation, sale, and export of tobacco, specified the control to be exercised by the authorities, and fixed the penalties incurred by reason of infringement of the law. The net revenue from the monopoly was to be handed over to the States in the measure of their share in the population of the monopoly area. It was proposed that the law should enter into force on January 1st, 1883, so far as regarded the cultivation of tobacco, and the rest of the provisions on July 1st following, except that trade with tobacco products would be allowed as before until January 1st, 1884.

The Government drew out a balance sheet for the first year of the monopoly as follows:—

RECEIPTS.

Sale of 1,512,998 cwts. of products:

	Marks.
587,528 cwts. of cigars	280,413,947
749,857 " smoking tobacco	67,187,169
122,425 " snuff	15,548,051
45,910 " "twist" tobacco	8,378,502
2,628 " cigarettes	1,011,780
4,650 " foreign cigars	16,030,875
	<hr/>
Deduct sale fees	388,570,324
	<hr/>
Gross revenue of the <i>régie</i>	347,770,442

EXPENDITURE.

	Marks.
1. General management	385,000
2. Management of manufactories and warehouses	2,314,000
Wages:	
(a) 81,000 workpeople at 577 Mks.	46,737,000
(b) 1,000 overseers at 1,200 "	1,200,000
4. Cost of raw material:	
(a) Foreign tobacco { 93,912 cwts. at 144 Mks.	13,523,328
(b) 845,214 " 55'80 "	47,162,942
(b) Home tobacco, 626,084 cwts. at 35 Mks.	21,912,940

	Marks.
5. Purchase of 4,650 cwts. of foreign cigars = 32,550 thousand at 200 Mk. per 1000	6,510,000
6. Materials, etc.	16,379,565
7. Supervision of tobacco cultivation	1,000,000
8. Transport of raw tobacco and finished products	5,500,000
9. Maintenance of buildings and repairs of machinery	1,200,000
10. Interest on a capital (including the reserve) of 220,000,000 Mk., and redemption of the same, together 4½ per cent.	9,350,000
	<u>173,174,775</u>
Leaving a balance of	174,595,667
Deduct further the interest on the aggregate amount of compensation, estimated at 257,000,000 Mk., at 4½ per cent., including redemption	10,922,500
	<u>163,673,167</u>
Net revenue	<u>163,673,167</u>

or something over £8,000,000

D.—RESOLUTIONS OF THE LABOUR CONFERENCE.

(See Chapter VIII., page 108.)

The International Labour Conference, which met in Berlin on March 15th, 1890, sat for exactly a fortnight. The resolutions adopted regarding the questions submitted are as follows :—

I. REGULATION OF WORK IN MINES.

(A) *Should underground employment be prohibited in the case (1) of children under a certain age, and (2) in the case of females?*

It is desirable (1) that the lowest limit of age at which children should be admitted to underground work in mines be gradually and as much as possible raised to the age of 14, while for southern countries this limit might be fixed at 12 years; (2) that underground work should be forbidden for females.

(B) *Should a restriction of the duration of the shifts be prescribed for mines in which work is particularly dangerous to health?*

It is desirable that, in cases where engineering skill has not succeeded in obviating the dangers to health which are a natural risk, or are incidental to the peculiar manner of working certain mines, the duration of the shifts should be limited, the putting in practice of this suggestion, either by law or administrative measure, or by agreement between employer and workmen, or otherwise, being left to each country, according to its principles and practice.

(C) *Is it possible to subject work in mines to international regulations in order to assure regularity in the output of coal?*

It is desirable that the engineers entrusted with the working of the mines should, without exception, be men whose experience and capa-

bilities have been duly tested. That the relations between the miners and the mining engineers should, as far as possible, be direct, and thus calculated to foster a feeling of mutual confidence and respect. That a continuous effort should be made to increase the measures of prevention and relief which each country, according to its customs, has organised to protect the workman and his family against the consequences of illness, misfortune, premature incapacitation, old age, or death, and which are designed to improve the lot of the miner and to attach him to his calling. That an effort should be made in order to ensure continuity in the production of coal to obviate strikes. Experience shows that the best means of preventing strikes is for masters and men, in all cases where their differences cannot be adjusted by direct agreement, to agree to invoke the decision of an arbiter.

II. REGULATION OF SUNDAY LABOUR.

(A) *Should work as a rule be prohibited on Sunday except in case of need ?*

It is desirable (1) that without prejudice to the exceptions necessary in each country, or to the requisite postponements of the day, one day of rest in each week should be ensured to all protected persons (children, youths, and women) ; (2) that one day of rest should be allowed to all industrial workmen ; (3) that the day of rest for protected workmen should fall on the Sunday ; and (4) that the day of rest for industrial workmen should also fall on a Sunday.

(B) *What exceptions should be allowed ?*

Exceptions are permissible (1) with regard to occupations which on technical grounds necessitate continuity of production, or which supply to the public necessary products whereof delivery must be made daily ; (2) with regard to certain occupations which on account of their nature can only be pursued at certain seasons of the year, or which are dependent on the irregular working of natural forces. Even in the case of such exceptions, the workmen should have every other Sunday free.

(C) *Should these exceptions be determined by international agreement, by law, or by administrative measures ?*

With a view to determining the exceptions on uniform principles, it is desirable that their definite regulation should be by arrangement between the various Governments.

III. REGULATION OF CHILDREN'S LABOUR.

(A) *Should children up to a certain age be excluded from industrial work ?*

It is desirable that children of both sexes who have not yet reached a certain age should be prohibited from being employed in industrial occupations.

(B) *How is the age to which such a prohibition shall continue to be fixed, and should the age be the same or different in various branches of industry ?*

It is desirable that the limit should be fixed at 12 years, save in southern countries, where it might be 10 years, and that the limit of age should be the same for all industrial occupations without exception.

(C) *What restrictions should be imposed on the time and manner of employment for children within the permissible limit ?*

It is desirable that the children should previously have fulfilled the requirements of elementary education ; that children under 14 should not work either at night or on Sunday ; that the aggregate hours of work should not amount to more than six hours, with an interval of at least half an hour ; that children should be prohibited from engaging in unhealthy or dangerous occupations, or at least should only be permitted to do so under protective conditions.

IV. REGULATION OF YOUTHS' LABOUR.

(A) *Should the industrial work of young persons who have passed the age of childhood be restricted, and, if so, up to what age ?*

It is desirable that young workpeople of both sexes between 14 and 16 should neither work at night nor on Sundays.

(B) *What restriction should be prescribed ?*

It is desirable that the aggregate daily hours of work should not exceed ten, with intervals amounting in all to at least one hour and a half.

(C) *Are deviations from the general rule to be allowed for certain branches of industry ?*

It is desirable that for particular branches of industry certain exceptions should be allowed ; that for unhealthy and dangerous occupations restrictions should be imposed ; and that young people between 16 and 18 should be assured a certain measure of protection as far as regards (1) maximum day's work, (2) night work, (3) Sunday labour, and (4) employment in peculiarly unhealthy and dangerous occupations.

V. REGULATION OF FEMALE LABOUR.

Should the work of married women be restricted by day or by night? Should the work of all females (women and girls) be subjected to certain restrictions? What restrictions would be advisable? Should exceptions be provided for in the case of individual branches of industry, and, if so, for which?

It is desirable (1) that girls and women above 16 years of age should not work either at night or on Sundays. (2) That the total number of working hours should not exceed eleven daily, and with intervals amounting, in all, to at least one hour and a half. (3) That exceptions should be admissible for certain branches of industry. (4) That restrictions should be imposed in the case of occupations especially unhealthy and dangerous. (5) That mothers should only be allowed to return to work four weeks after their confinement.

E.—PRINCE BISMARCK'S VIEWS ON EMIGRATION.

(See Chapter XI, page 147.)

Prince Bismarck's views on emigration are so interesting that it is well worth while to quote several passages from his speeches bearing upon the subject. Speaking in the Reichstag on June 14th, 1882, he said :—

“ I have often drawn attention to the fact that emigration is not a consequence of over-population, for the emigration is smallest from the over-populated parts of the country ; it is greatest from the least populous provinces. . . . Why do people emigrate especially from the agricultural provinces? Because these parts have no industry, and because the industry which was formerly tolerably busy there has been overburdened and suffocated by free trade. Frederick the Great fostered industry in those provinces. Every small town in Pomerania, Posen, and West Prussia had a large woollen and cloth industry, and isolated remains still exist ; there are also woollen weaving works, but they are in decay. After the provinces of Pomerania, Posen, and West Prussia [in extent of emigration] come Mecklenburg and Schleswig-Holstein. Hanover is also largely represented, because, apart from a few centres, particularly the city of Hanover, it has little industry. In a purely agricultural population the career which a labourer can follow is straightforward and without change ; when he is twenty-eight or thirty years old he is able to overlook it to the end ; he knows how much he can earn, and he knows that it is impossible by means of an agricultural occupation to raise himself above his condition. . . .

In industry a workman cannot foresee how his life will close, even if he should not raise himself above the common level, and should have no connections. We have very many manufacturers who, in one or two generations, have risen from being simple artisans into millionaires, powerful and important men; I need not name any such men to you—the names are on everybody's lips, and they are also on the lips of the working-man. For the artisan industry has the marshal's *baton*, which it is said the French soldier carries in his knapsack: this raises and animates the hope of the artisan, and he does not need to become a millionaire. Industry furnishes a thousand examples—such as I have myself seen in the province of Pomerania, little affected though it is by industry—of how the man who as agricultural labourer never gets beyond ordinary day wages, can in the factory, as soon as he shows more skill than others, earn much higher wages, and eventually rise to the position of overseer, and even higher; indeed, skilled workmen, who often go farther as self-taught men than the most learned technologists, may hope to become partners of their employers. The prospect keeps the hope active, and at the same time increases the pleasure in work. Industry and agriculture should supplement each other; industry is the consumer of the local agrarian products which agriculture could not otherwise sell in a waste district, and on the other hand, the farmer is the customer of industry, in case he has money. I believe that the lack of an industry—in other words, the lack of protection for national labour and of protective duties—is, equally with the pressure of direct taxation, the great cause why the least populous provinces have the greatest emigration. It is the destruction of hope in a man that drives him to emigration. The *terra incognita* abroad offers him every prospect of being something *there*, though it has been impossible *here*. This is why rural labourers emigrate—because they have no industry in their neighbourhood, and because they cannot in retail convert the produce of their labour into money." Prince Bismarck advanced the same theories, though in less detail, in the Reichstag on March 8th, 1879.

Again, he said, on June 26th, 1884:—

"I combat the promotion of emigration. A German who puts away his fatherland as he would an old coat is no longer a German for me; I no longer regard him as a fellow-subject."

On January 8th, 1885, he said:—

"There are two kinds of emigrants: first, those who emigrate because they still possess the needful money; and then those whom I would call the mal-contented." At the same time he added: "The

statistics of emigration are a thoroughly accurate measure of the increase of our prosperity. The better off we are, the greater the emigration. The fact that the emigration of 1880-81 was higher than before is a proof that protective duties have had an effect upon our industry, and that there were many more people in that year who possessed money necessary for the sea passage and the purchase of land. That alone is the index of emigration. In the years of atrophy, when we had free trade, emigration decreased because people had not money enough to pay for their sea passage and for land. In the year 1871-72, when everybody with us felt himself rich, owing to the French milliards, there were again more people ready to emigrate. I allow that under certain circumstances the desire to escape military service, and, with peasantry, the desire to escape land taxes and high parochial taxes, may also exert an influence, but, on the whole, increasing emigration is an irrefutable proof of increasing wealth and earnings." He spoke, of course, for Germany, and explained that in Ireland it was different, adding that there the people had "less emigrated than been emigrated" at the cost of others.

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